Sustainable development goals: social dialogue as driver and governance tool

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2 SUMMARY

In this discussion note we outline an initial framework for thinking about, and evaluating how, tripartite social dialogue (SD) can contribute to the UN Sustainable Development Goals (SDG) and their governance.

We argue that SD is itself a form of governance that provides specific advantages towards realizing the SDG. These advantages are realized through three core mechanisms—voice, power and complementarity—that are linked to the nature of SD-actors and their interaction. For these mechanisms to have a positive effect on SDG, a (national) context with certain characteristics is needed. Additionally, SD institutions and particularly trade unions as democratic membership-based organizations, provide certain governance-advantages when embedded into governance networks.

Throughout the discussion note we provide illustrations of these mechanism and contexts, and conclude with a brief overview of open questions for future research and elaboration of the framework.

3 CONCEPTUAL FRAMEWORK – WHAT ARE WE TALKING ABOUT?

The core topics of this discussion note— sustainable development, social dialogue, and governance— are all both highly societally relevant and highly ambiguous, functioning more as sensitizing concepts in research, and discussion markers in policy discourse.

While there is no uniform and generally accepted definition of **social dialogue** (SD, Van Gyes, Vanderkerckhove, Van Peteghem, & De Spiegelaere, 2015), we follow the frequently used general description of SD by the ILO as representing "all types of negotiation, consultation and information sharing among representatives over governments, social partners or between social partners on issues of common interest relating to economic and social policy" (ILO, 2013a). Getting to grips with the specific effects of SD requires further specification according to the form, level, involved actors, processes and topics of SD—something outside of the scope of this discussion note.

Since the Brundtland report from 1987, all the way to the adoption of the Sustainable Development Goals in 2015, a clear and immutable meaning of **sustainable development** remains elusive (Kates, Parris, & Leiserowitz, 2005) Throughout that period, experience has also shown that there is no centrally determined blueprint for the practical implementation of sustainable development. Both its content and translation into practice will need to be negotiated or planned through some kind of dialogue and collective discussions, embedded in systems of governance (Carter, 2007; Jordan, 2008).

Given the conceptual fluidity of sustainable development, we start from the demarcations embedded in the **sustainable development goals** (SDG)—themselves an outcome of collective discussions on sustainable development. Compared to the concept of sustainable development, the SDG are relatively unambiguous, but at the same time too broad to exhaustively cover in this discussion note. Drawing on the underlying affinity of various SDG and the focus targets of the ILO (ILO, 2015), we can group the seventeen SDG into five thematic clusters (cf. Figure 1), and use these clusters in the remainder of the paper to summarize the (potential) contribution of tripartite SD to the realization and governance of SDG.

These thematic clusters are:

1. Decent work and equality

2. Access and redistribution
3. Growth and innovation
4. Environment and futuring
5. Governance and participation

Finally, we define **governance** by looking at both content and actors. Content-wise, "governing" refers to those social activities which make a purposeful effort to guide, steer, control, or manage (sectors or facets of) societies, while "governance" describes the patterns that emerge from the governing activities of social, political and administrative actors (Jordan, 2008; Kooiman, 2003). Looking at actors, we can define that "governing" is done by the institutions of the State, while "governance" is more encompassing. It embraces also the activities of non-State actors, market forces, social partners, NGO's, etc. One of the main advantages of using the term governance is exactly that it allows a much broader range of stakeholders besides government to be considered in the analysis of any process of governing.

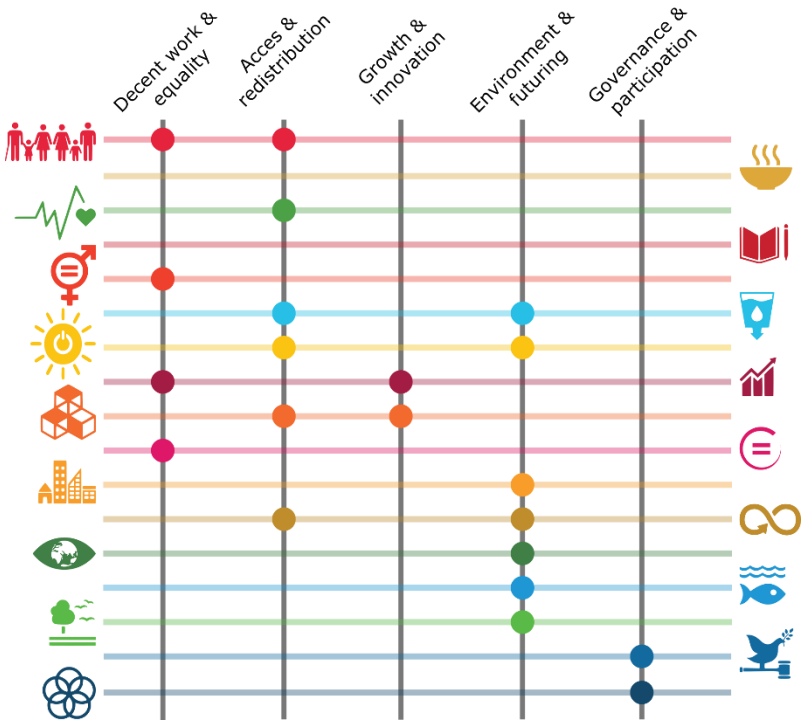

Figure 1 Grouping the 17 SDG into five thematic clusters

4 MECHANISMS – HOW CAN SOCIAL DIALOGUE CONTRIBUTE TO SDG?

The central question in this discussion paper is **how tripartite social dialogue can contribute to sustainable dialogue and its governance**.

Given our above-described conception of governance, our core contention is that SD is itself a form of governance, which provides specific advantages for realizing the SDG when compared to other forms of governance. This is based on the general idea that SD offers a series of governance alternatives for societal change – in this case reaching the SDG – that are not available in institutional contexts where the market or the State are the only governance mechanisms (Keune, 2015).

These governance alternatives in the context of SDG are mainly realized through **three core mechanisms** or pathways, through which SD actors influence society:

A. **Voice**: providing channels for (representative) participation and voice-expression.
B. **Power**: counterbalancing asymmetric social relations.
C. **Complementarity**: providing market failure corrections and 'beneficial constraints'.

The **voice mechanism** refers to the 'voice function' of unions (Freeman & Medoff, 1984), but in a very general sense. Given their nature of representative organizations, SD actors aggregate the points of view and localized knowledge of a multitude of employees and employers. This both strengthens the voice and participation of individually weaker actors, and heightens the level of information-exchange.

This participatory dynamic is not only advantageous to those participating, but also for (inter)national poltical actors. Tripartite SD can be seen as a form of corporatist interest intermediation, in which political actors increases the chance of reaching their policy goals by trading part of their authority to representative organizations, in return for aligning interest groups (Schmitter & Lehmbruch, 1979). For example, institutionalized SD consultation can help overcome resistance to change by promising stakeholders a say in how that change is achieved (Fashoyin, 2004).

A consequence of the representative nature of SD, but distinct from the voice pathway, is the **power mechanism**, though which SD actors – jointly or not – provide a counterbalance in asymmetric societal relations. Examples are industrial action strengthening NGO-campaigns on social and environmental issues when confronted with powerful economic interests. Or local worker and employers organizations in developing countries jointly supporting tripartite efforts on macro-economic policies and regulations, in a context where transnational corporations have a power advantage over local actors.

The idea of a **complementarity mechanism** captures the dynamics where SD is an enabling or correcting factor in harnessing the power of (labour) market processes towards the SDG. For example, multi-employer bargaining has the capacity to address negative market externalities (Marginson, Keune, & Bohle, 2014), i.e. effects generated by market processes that are not incorporated into the resulting market transactions. Examples are environmental damage, unemployment effects of wage developments, the creation of labour market outsiders, etc.

Another complementary dynamic of SD is the provision of 'beneficial constraints' (Streeck, 1997) on market processes. By setting for example common standards or wage-levels in a region or sector, it removes to some degree these elements from competition. This both reduces the chance of a downward spiral on labour and environmental conditions, and encourages 'high road' market competition on e.g. innovation (Kleinknecht, 1998).

This general, theoretical argument on how tripartite SD can contribute to SDG is summarized in Figure 2. The remainder of this section will illustrate these pathways for each cluster of SDG described above.

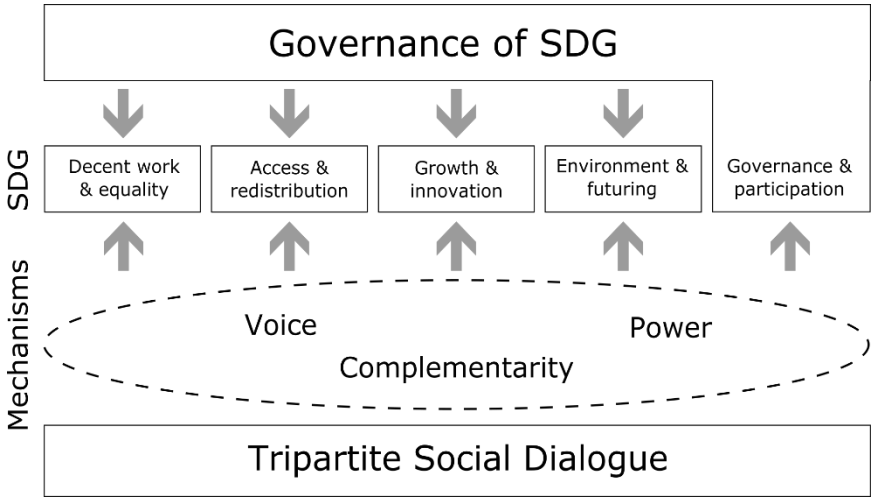

Figure 2 Mechanisms between tripartite social dialogue and SDG

4.1 DECENT WORK AND EQUALITY

We jointly consider SDG on work and equality in this thematic cluster, as debates on (decent) work and the (unequal) market distribution of resources for one's livelihood are deeply entwined in contemporary capitalist societies. Here we consider SDG primarily concerned with pre-market inequalities, and inequalities directly linked to labour market outcomes such as wages. Post-market and redistributive inequality is considered in the next section.

This cluster is the most self-evident area of contributions of SD to SDG, as working conditions, workplace democracy and the redistribution of company benefits are the core drivers of social dialogue (Van Gyes et al., 2015). This is exemplified by the current *Decent Work Agenda*, promoted worldwide by the ILO, which makes (international) trade unions an obvious non-State actor in global debates on (the governance of) labour rights (Marx, Wouters, Rayp, & Beke, 2015). Promoting these goals is mainly an outcome of the *power mechanism*, such as (the treat of) industrial action, as well as unions' *voice mechanism*, through which working conditions can be improved by setting standards on aggregate level (cf. Box 1).

Box 1 | Minimum wage campaign in Thailand

From January 1st 2013, Thailand's employers must pay all employees at least a 300 baht (about $10) minimum daily wage. This policy shift is the fulfillment of a 2011 election campaign pledge by the ruling Pheu Thai Party and coordinated by the Central Wage Committee, a group of government, employer and labor representatives.

The rationale behind the increase was to meet the government's goal of reducing the disparity that exists in the country, alleviating the burden on the lower income wage earners, and strengthening purchasing power.

The policy initiative is a contested issue however, which is only implemented after a gradual roll-out. It demonstrates the *power* pathway of SD, with trade union pressure and monitoring being necessary to encourage the Government into implementing the policy (Xhafa, 2014).

Since the financial crisis, interest in the inequality-reducing impact of institutions such as trade unions and SD has rekindled, with research—mainly in OECD-countries—demonstrating various ways in which unions and social dialogue influence market wages towards more equal outcomes (*power* and *voice mechanisms*). This includes findings that unions increase the share of labor income in countries' GDP (Kristal, 2010), reduce income disparity at the top of the wage distribution (Shin, 2014; Volscho & Kelly, 2012) and compress market wages, resulting in a larger share of earnings for middle- and low income workers (Jaumotte & Buitron, 2015).

This impact of SD also extends to pre-labour market societal inequalities that are reproduced in the labour market and wage formation processes, e.g. gender inequality. By providing the institutional infrastructure for collective bargaining at aggregate levels (*voice* and *power* pathways), SD is an important institution for compressing the wage distribution and improving working conditions, helping to improve gender and wage equality (Hayter, 2015). For example, as women are overrepresented in informal, low-waged work with lower coverage of firm-level collective bargaining, centralized tripartite SD instruments such as minimum wages are sometimes the only policy tool available.

These minimum wages reduce gender wage gaps, as well as overall wage inequality, while at the same time correcting for potential gender-discriminatory practices in wage setting. Moreover, they may increase labour force participation rates of lower-income women, as raising wages at the lower end of the income distribution increases the opportunity cost of labour market participation. In realizing this full potential of SD for gender equality, there needs to be however more attention to gender concerns in collective bargaining (Gammage, 2015; Pillinger, 2014).

While unions are involved in critical action in combatting trends of rising inequality (Gallas, Herr, Hoffer, & Scherrer, 2016), and attach a very high level of importance to economic equality in society, the policies and strategies they use to tackle economic inequality may be insufficient (Xhafa, 2014). This is especially acute in the developing world, with their large share of workers active in the informal economy. SD actors have to a large degree co-evolved with welfare state arrangements in 20th century Western countries, making the 'informal security regimes' (Gough, 2004) that are currently evolving in developing nations to deal with precarity in informal economies, a challenging evolution.

4.2 Access and redistribution

Trade unions, as representatives of workers in larger social and economic debates, have played an important role through SD in influencing policies (*voice* and *power mechanism*) to the benefit of workers, particularly in domains such as public spending on social protection and social services (cf. Box 2; Hayter, 2015).

This effect of SD touches on all references to (equal) access in various SDG, and is strongly linked to the provision of public goods in the area of health (SDG3), education (SDG4), clean water and sanitation (SG6), and housing (SDG11). Trade unions and SD can be instrumental in supporting the shift in thinking, from evaluating public services mainly on costs and efficiency, to evaluating it on criteria such as access and impact on equality (Hermann, 2014).

In this thematic cluster we also include SDG1 on poverty, as it can be considered the outcome of pre-market and market inequalities (section 4.1) together with post-market redistribution through taxation and public services. Strengthening public provisions through SD is also beneficial from the point of view of redistribution, as the (cash) value of public services forms a relatively larger and sizable part of lower income households.

At the same time, an increased provision of public goods also decreases the negative knock-on effect on the provision of social protection (SDG1). Workers in the informal economy are unable or unwilling to contribute the required proportion of their income to statutory social security systems (van Ginneken, 1999). They give greater priority to their more immediate needs in domains such as health and education, notably because structural adjustment measures in developing countries have reduced or eliminated access to free health care and primary education (van Ginneken, 2003). Supporting through tripartite SD the provision and equal access to these kinds of provisions, also further contributes to SDG1.

Box 2 | Social security provisions through national dialogue in Uruguay

The *National Dialogue on Social Security* (NDSS, 2007-2012) brings together a broad range of societal actors in the discussion on changes to the social security system. These actors include representatives of workers, pensioners and employers, civil society organizations, government and academic institutions, etc.

The outcomes of the first round (2007-2008) of NDSS were highly promising, with o.a. a redesign and extension of the unemployment benefits. The second round was held between late 2010 and 2012 with the more ambitious goal of addressing outstanding and more contentious issues, but resulted in more limited outcomes (Cuesta Duarte Institute, 2016).

The process is an example of the voice pathway of employee and employer organization. At the same time, it illustrates that in settings where instructional features are less extensive, SD provides a flexible 'space of governance' which can accommodate a broad range of actors (cf. section 4.5).

4.3 GROWTH AND INNOVATION

We can summarize the contributions of social dialogue to the SDG in in the growth and innovation cluster, into first and second-order effects. As first-order effects, SD mainly reinforces innovation and growth processes by (1) correcting for market failure and posing beneficial constraints on firm competition (*complementarity mechanism*), (2) pushing for sustainable macroeconomic development policies (*power mechanism*), and (3) creating stability by moving contentious industrial relations issues to higher levels of governance (*voice mechanism*).

An example of SD as a governance mechanism being able to correct market failure and inadequacies of mere government policy, is the area of training and skills-matching (Ferras, Kupfer, & Marques, 2014). In a competitive labour market, individual firms have a disincentive to invest in workers beyond directly required and firm-specific skills, leading to an under-provision of training and lagging aggregate skill-levels (Hall & Soskice, 2001; McLaughlin, 2013). This market failure—which leads to lower levels of innovation and growth—can be corrected through bipartite or tripartite SD, which removes the market-based disincentive by e.g. creating agreements and pooled funds for training.

Similarly, multi-employer bi- or tripartite bargaining poses 'beneficial constraints' on firm behavior (Keune, 2015; Streeck, 1997). In unconstrained competitive settings, firms are forced to compete on 'low-route strategies'—at the cost of social and environmental concerns, and even their own long-term survival. SD removes these issues partially from competition, thus constraining firm behavior towards growth and innovation-oriented 'high-route strategies' of competition.

Box 3 | Tripartite-guided industrial policy in Brazil

The *Plano Brasil Maior* (PBM, 2011-2014) is a set of industrial policies, developed in the wake of the financial crisis and fierce import-competition, and focused on the local aggregation of value added through innovation. The goals of PMB are divided in three dimensions (competences, structural change and efficiency, and market expansion) that contribute to the overall target of sustainable development.

The multi-layered governance structure of the PBM contains tripartite structures on various levels, from the Industrial Development Council at the strategic level, to the Sectoral Competitiveness Councils on the articulation and policy formation level. This configuration and the resulting debate and interaction among stakeholders is identified as essential to the effectiveness of PBM (Ferras et al., 2014).

Next to these complementarities, the *power mechanism* is apparent in the domain of macroeconomic policies. These policies are central to sustainable growth in developing countries, with industrial policy having a prominent role. Given the shift away from the non-interventionist line of industrial policy of the 80'ies (Salazar-Xirinachs, Nübler, & Kozul-Wright, 2014), there is a larger role needed for social dialogue. This is especially the case given the perennial risk of (regulatory) capture of the State by private actors, when designing (industrial) policy. Tripartite SD and partnership approaches are necessary to counter this State capture, and keep policies on the intended course (Ferras et al., 2014; Stiglitz, 1998). This is linked to the monitoring function of SD, on which we expand in section 4.5 on governance.

The final first-order effect is linked to the *voice mechanism* of SD and its multi-employer bargaining institutions. By lifting industrial relation disputes from the firm-level to sectoral or national levels, it creates stability at the firm level and spaces for more cooperative and innovation-supporting dynamics (Finnestrand, 2011; Hermans & Ramioul, 2016).

Apart from these three first-order effects, the contribution of SD to other SDG has second-order effects on the SDG in the cluster of growth and innovation. E.g. strengthening SDG such as participation in further education and female labor market participation, creates in the medium-term support for economic growth in sectors requiring sufficient higher-educated workers.

There is also growing awareness and empirical evidence that increasing inequality is harmful for growth. For example, labor shares in national income show a downward trend for most large economies, depressing household consumption and aggregate demand and leading to both low global economic growth (International Labour Organization, 2015) and inequality between wage-earners and those with capital-based incomes. Similarly, increases in income for the top 20% of the income distribution are negatively associated with overall economic growth, while increases for the bottom 20% positively correlate with growth (Dabla-Norris, Kochhar, Suphaphiphat, Ricka, & Tsounta, 2015). In reducing these types of inequality, SD is also contributing to the basis for growth.

4.4 ENVIRONMENT AND FUTURING

Prominent examples of sustainable and future-oriented environmental policy-initiatives in the context of labour, are the *Green Jobs* initiative set up in 2008 by ILO, UNEP, ITUC and IEO, as well as the *Green Jobs Programme* launched by ILO in 2009 (see also ILO, 2013b). These programs recognize SD as

instrumental for integrating the social dimension of environment and sustainable development into related policies and programmes. Promoting consensus building and cooperation among government and social partners through social dialogue is seen as essential given the profound changes in production, consumption, technologies and jobs that comes with a transition to a greener economy (GJI & IILS, 2012).

This supportive role of SD as a form of governance in ecological policies, extends however beyond linked labour–ecology issues. We describe—in terms of our three mechanisms—three examples of the use of SD in transition processes towards a green economy, which highlight the opportunities of involving SD actors.

Firstly, exchange of information between stakeholders can contribute to a better understanding of different perspectives, which helps to build consensus and to carry out a shared assessment of the environmental problems (*voice mechanism*). This has been shown to contribute to faster implementation of policy and strengthened societal support. E.g. social dialogue tables at the municipal level in China resulting in community action to address environmental problems such as waste, land degradation and air pollution (GJI & IILS, 2012; ILO, 2012).

Box 4 | Social dialogue – NGO collaboration on environmental labelling

A well-known and successful seal is the *Forest Stewardship Council* (FSC) certificate for the sustainable usage of wood. The FSC is a non-profit organization founded in the wake of the 1992 Rio climate conference, by environmental groups, trade unions and companies from the wood industry.

The FSC is organized on the basis of a three chamber system, through which all three interest groups—companies, unions and NGOs—have a voice. This helps to ensure that both social an ecological factors are taken into accounts in the certification process of the FSC-label (Vitols, 2011).

Secondly, formalizing ecological initiatives through the SD process can both promote the effective translation of agreements and standards (cf. Box 4) into specific policies, as well as help enforce adherence—even in the face of opposition (*power mechanism*). For example, trade union-proposed SD round tables were established by law in Spain in 2005, and allowed the participation of social partners in the design and monitoring of the national emission allocation plan (NEAP). It can also help in enforcing corporate social responsibility (CSR) initiatives, and avoid powerful lobbies seeking to block the implementation of ecological regulations. E.g. Belgian SD actors are part of the Federal Council of Sustainable Development [1] whom the government has to inform yearly on the implementation of its recommendations. In the same vein, are there various instances where SD has been able to ensure that labour standards are respected or improved in the context of greening, cf. section 4.1 and Box 5 (GJI & IILS, 2012; ILO, 2012).

Box 5 | Social dialogue in Brazil to promote decent work in a green economy

The bulk of the jobs in biofuels development involve the harvesting of feedstock, work that is physically demanding and often not well paid. In Brazil, sugar cane

[1] FRDO-CFDD, http://www.frdo-cfdd.be/en/the-council.

cutting has long been characterized by poor working and living conditions and high rates of job injuries.

Collective bargaining and public policy have in the past several years however generated significant improvements, including real wage increases, expanded social benefits, increased job formalization and efforts to eliminate child labour.

In July 2008, a tripartite dialogue was initiated to improve working and living conditions for cane cutters. In 2009, a set of voluntary commitments was agreed with regard to health and safety, work contracts, union organizing and other issues, to be monitored and evaluated by a national commission (GJI & IILS, 2012).

Finally, SD has shown to contribute to collective learning and training processes on technical environmental issues, while SD actors can also help identify skills needed for a green economy, hence facilitating labour demand and supply matching (*complementarity mechanism*). An example of collective learning are the environment conferences in Brazil (2003-2008) at local, regional and national level. The multi-stakeholders taskforce on green jobs and climate change in India (2009), carrying out studies on employment aspects of renewable energy, illustrates the skills/training dimension (GJI & IILS, 2012; ILO, 2012).

4.5 GOVERNANCE AND PARTICIPATION

In the previous sections we have argued that SD is a form of governance, which can engender certain mechanisms that provide advantages for realizing specific SDG. At the same time, strengthening governance and partnership is *in itself* part of the SDG, e.g. as part of SDG17 (cf. the L-shape in Figure 1). This shifts the question from how SD as a form of governance can contribute to certain outcomes described in the SDG, to how and why SD could complement, strengthen or replace existing systems of governance in the context of sustainable development.

The answers—and their illustrations—to this more specific question are more tentative, but nonetheless relevant for clarifying thinking about the role of SD. This is also part of a wider trend: SD has traditionally been associated with tri- and bi-partite institutions dealing with employment and labour related issues, but is increasingly seen as an instrument to promote democracy and 'good' governance (Fashoyin, 2004; ILO, 2013b). We consider four reasons why SD-involvement potentially strengthens governance structures and networks.

Box 6 | Labour standards compliance in the Cambodian garment sector

In 2001, in response to consumer concerns about poor working conditions in the garment sector, the U.S., promised Cambodia through a Bilateral Textile Trade Agreement, to increase import quotas in exchange for concrete efforts to bring working conditions in line with international labor standards. An important condition was the willingness of Cambodian factories to allow routine independent monitoring by the *Better Factories Cambodia* (BFC) project which was established by the ILO.

The agreement created positive incentives for compliance and led to a gradual improvement in working conditions and yearly increases in quota of up to 14%.

Interestingly the after 2006 when the agreement stopped, tripartite partners requested for a continuation of the monitoring of working conditions by the BFC project, given that improved working conditions were going hand in hand with productivity improvement and increased factory profits.

However, after 2016, monitoring reports were no longer made public. This resulted in rates of compliance to stagnate and even to decrease, except for factories that were selling to ''reputation-sensitive'' buyers. Also penalization by government inspectors of companies with low compliance was not happening. Pressure from social actors such as non-governmental unions, CSOs and buyers who were not represented in the institutionalized tripartite structure played an essential role to campaign for a re-establishment of the public disclosure mechanism. When this mechanism was returned, compliance started increasing again from 2014 onwards (ILO, 2014; ILO & IFC, 2015; World Bank, 2015).

Firstly, we argue that SD 'infrastructure' offers a more conductive base for including other non-State actors, i.e. 'triparite plus', than the other way around (cf. Box 7). In this context, the concept of 'network-based governance' (Jordan, 2008) can be used to describe SD-based initiatives that are extended to include non-SD actors with shared goals. An example is the *Better Factories Cambodia* project (cf. Box 6), where tripartite partners including the ILO are taking the initiative, but a broad coalition is monitoring its implementation.

Secondly, tripartite SD appears to be more robust against a lack of institutionalization, as demonstrated by various successful outcomes in relatively informal SD settings (cf. Box 7). Political will and commitment of influential actors might be a necessary and sufficient condition to reach stated goals (Fashoyin, 2004), and possibly more critical for success then the prevailing economic conditions, industrial relations and makeup of the social dialogue mechanism (ILO, 2013a). At the same time, the Ghanaian case reported in Box 7, illustrates the susceptibility of informal SD process to being disrupted by powerful opposition.

Box 7 | Ad-hoc 'tripartite-plus' public hearings in Ghana

The existence of a legal and institutional framework for SD in Ghana created spaces for 'tripartite-plus' SD in the form of multi-stakeholder hearings and consultations. In a context of a hierarchical mode of governance where legislation and national policy largely emanates from government, tripartite-plus SD promoted consensus on critical national issues E.g. influencing the yearly national budget or campaigning against the removal of the Public Interest and Accountability Committee from the Petroleum Revenue Management Bill in 2011.

However, the rather informal character and the lack of defined structures and procedures, also weakened the outcomes and made them more vulnerable for the counterinfluence by powerful external stakeholders such as World Bank and IMF (Asafu-Adjaye, 2015).

This robustness to lack of institutionalization is likely related to the third feature, the apparent advantages of SD for reaching agreements in the face of crisis or economic transitions. Notable

examples include the “deliberation councils” which helped the public authorities in Asian countries to gain the cooperation of economic elites while going through the crippling financial crisis of 1997 (Campbell, 2001; Campos & Root, 1996; Kelly, 2002). Similarly, social and economic councils were found to play an important role in numerous countries in enabling broad support for tailor-made policy measures in response to the economic crisis of 2008 (ILO, 2013c). This feature is possibly due to the dynamic whereby SD consultation can help overcome resistance to change by promising stakeholders a say in how that change is achieved (Fashoyin, 2004).

Fourth and finally, the inherent nature of trade unions as representative, democratic membership organizations leads them to provide a qualitatively different contribution to governance networks, than actors that operate on a different mobilization logic. For instance, civil society actors such as NGO’s are faced with the perennial problem of democratically legitimating themselves through public campaigns, etc. (Vitols, 2011). Strengthening the involvement of trade unions in the governance of SDG might help in overcoming some of the shortcomings of mainstream human rights discourse and practice (Evans, 2015), and guard against the ‘paradox of institutionalization’ (Stammers, 2009). In the context of SDG, this paradox refers to the need for effective bottom-up influence in partnerships and governance (e.g. SDG17), while this very process of effective bottom-up influence leads to the institutionalization, professionalization and bureaucratization of influence, which might hamper bottom-up involvement.

5 CONTEXT – WHAT IS NEEDED FOR SOCIAL DIALOGUE TO CONTRIBUTE?

Identifying and illustrating the mechanisms (“how?”) through which SD can contribute to certain outcomes—i.c. sustainable development goals—are not sufficient for understanding this relationship. What is also required is indicating the context in which these mechanisms can operate (Falleti & Lynch, 2009; Melloni, Pesce, & Vasilescu, 2016). In other words, we need to specify in advance in which settings those mechanisms can have an *effect*: what is needed for SD to *effectively* contribute to SDG?

We consider this question of context–effectiveness in three steps, (1) when is SD effective, when can SD effectively contribute to SDG, and (3) how do we know SD effectively contributes to SDG?

5.1 WHEN IS SOCIAL DIALOGUE EFFECTIVE?

As noted in section 3, “social dialogue” is likely too broad of a concept to make concrete claims about effectiveness. While this is true, and there is also no one blueprint for effective SD, literature points towards six general preconditions that need to be in place for SD to function effectively (ILO, 2013a).

These preconditions include first and foremost the democratic space and freedom of association allowing social partners to organize and express themselves freely. These partners should (2) be strong, representative workers’ and employers’ organizations, with appropriate competence and the capacity to (make their members) comply with commitments. Thirdly, there should be sufficient political will and a sense of responsibility of all parties to engage in social dialogue. Four, adequate institutionalization, through funding and well-defined legal mandates, which ensures continuity of operations during political change. And finally, the (5) availability of experience in breeding trust as well as negotiation and cooperation skills, together with (6) accurate information and sound information exchange.

These general preconditions are confirmed in more focused studies, e.g. that freedom of association is a necessary condition for a SD response to the crisis to emerge (Baccaro & Heeb, 2011). Similarly

review studies find that trade union density, centralization, coverage and extention, consensus, competition, and policy support are general features that strengthen SD effectiveness (Van Gyes et al., 2015). When considering forms of SD, multi-employer bargaining between strong SD-actors appears to provide the most advantages (Keune, 2015).

The lack of several of these preconditions, which is common in times of crisis or in developing countries (Alemán, 2010), will significantly limit the effectiveness of any SD process. There are no silver bullets in how to turn such a setting into a more conductive environment. In this case using international SD-networks to share experiences and concrete strategies, might be more effective then general theoretical frameworks. Examples of such strategies, are for instance combining self-organisations of informal workers with a structural relationship to sectoral unions and/or trade union central federations (Schurman & Eaton, 2012), or the use of use of 'power brokers' and 'champions' to get access to government structures (Van Gyes et al., 2015).

5.2 When can social dialogue best contribute to SDG?

Even in settings that are generally conductive to SD, SD actors might not be involved in, or contributing to, issues enshrined in the SDG. There are arguably at least three contextual factors that determine if SD can effectively contribute to SDG.

Firstly, SD actors need to have the societal legitimacy to be engaged in these topics. This is not a formal or technical consideration, but a politico-ideological one. In which topics does the State wants to grant SD actors a larger role? To what degree is it, for a given topic, considered acceptable that SD actors make (centralized) agreements, rather than relying on market forces or the actions of individual employers and workers? Do (unionized) workers consider certain topics valid for their representatives to engage on—perhaps they are hesitant to spend bargaining energy on topics that are less relevant to their particular and direct interest?

This 'distribution of legitimacy' for a given topic is mostly the result of historical debates and struggles, and to a large degree subject to institutional inertia and self-reinforcing dynamics. I.e. by being involved in a certain topic due to an agreement, SD actors gain legitimacy and experience, which strengthens their legitimacy and chances of being involved in future agreements, etc.

Secondly, the issues under consideration need to be 'within the reach' of tripartite structures of SD—not just formally, but also in practice. For example, if certain social, labour, ecological, etc. regulation issues are linked to international agreements, but national tripartite actors are not capable to weigh on its' content or national translation—due to limited experience, little relative influence, or insufficient embeddedness in the correct networks—it is not correct to simply consider the outcomes of the national SD dynamic on these issues as ineffective.

Finally, SD actors need to have the skills and expertise to credibly and effectively engage in certain topics. This is a general precondition, but especially relevant for various topics related to SDG that are further removed from the 'bread-and-butter issues' for SD actors, which are centered around individual and collective labor relations and their (redistributive) conflicts. For this contextual precondition, it might be worthwhile to explore how international SD actors might support embedding intermediary cooperative organisations (Sørensen, Doellgast, & Bojesen, 2015), which can aggregate experience on these issues, into national SD systems.

5.3 How do we know social dialogue is contributing?

There is an extensive literature on the construction and use of development indicators, evaluation programs, systematic reviews, etc. However, while considering concrete indicators on SDG and the potential effectiveness of SD, two more fundamental considerations need to be taken into account.

Firstly, the construction and adoption of such (effectiveness) indicators is not possible without certain (normative) assumptions, and they are used in practice as a political tool through normative pressure (Kelley & Simmons, 2015). This requires careful and critical attention to the underlying theoretical framework, before proposing or adopting certain indicators of effectiveness.

A prime example of this risk, is the 'Employing Workers'-indicator in the World Bank's 'Doing Business' index (Berg, 2015). Launched in 2002, this index gives a lower ranking to countries with more regulated labour markets, putting pressure towards labour market deregulation. In 2011, the World Bank dropped this indicator, based on criticisms from trade unions, the ILO and some governments. The empirical evidence to include this indicator was shaky from the start, and largely based on neo-classical theoretical models of labour markets. However, even without empirical support or strong scientific backing, the mere inclusion of the indicator in a global index, did have a policy impact until dropped a decade later.

Secondly, judging the effect of SD on quantitative indicators of SDG-outcomes, without specifying and evaluating (1) the operative mechanisms, and (2) the context, can lead to meaningless and misleading policy conclusions. Consider a crude and hypothetical example, of a country with high scores on union strength indicators, but no progress on SDG-outcomes where unions are expected to be able to contribute. The conclusion could be that the unions are ineffective in supporting the SDG. However, taking into account the operative power mechanism within the specific national context, might show that in the face of regressive forces, they exerted substantial pressure to merely keep the status quo w.r.t. the SDG.

Both these underlying issues require increased attention to the theoretical framework and derived 'policy lenses' for looking at the relation between SD and SDG. This requires on the one hand a more consistent elaboration and interlinking of various bodies of research- and policy literature that challenge frameworks which dominated thinking on development since the 80'ies, and which argued o.a. that trade unions are hampering growth and innovation (cf. section 4.3), or that public goods and services are inefficient and primarily a cost-factor (cf. section 4.2).

On the other hand, it requires a self-assured translation of these bodies of research- and policy literature, into sensible approaches for measuring and evaluating focused SDG-policies and the impact of SD. Such a sensible approach could for example draw on the context-mechanism-outcome approach embedded in realist evaluation approaches (Pawson & Tilley, 1997), and which we have used to structure this discussion note. Arguing for such a theory-informed and contextually embedded approach to policy evaluation, might however be an uphill battle, given the contemporary hype concerning quantitative 'big data', 'data-driven' and 'evidence based' policy formation and evaluation.

6 Emerging research agenda – what do we need to know?

Based on the overview in the previous sections, we conclude with a non-exhaustive overview of areas where stronger additional knowledge and/or synthesis of existing knowledge and praxis is needed. These areas touch (1) on general considerations about the involvement of SD actors in (the governance of) SDG, and (2) specific thematic clusters of SDG.

In discussing complementary mechanisms and the potential contribution of SD to SDG such as growth and innovation (section 4.3), we implicitly drew on literature of equity-oriented industrial relations and neo-institutionalist thinking about the effects of SD actors on the economy (Hall & Gingerich, 2009; Hall & Soskice, 2001; Kleinknecht, 1998; Rutherford & Holmes, 2007). While we would argue that the core underlying institutionalist dynamics are translatable to the SDG and the context of developing countries, this translation requires substantially more careful consideration.

In the same vein, the above-described ideas on how social dialogue can contribute to SDG, are predominantly based on a neo-corporatist conception of development, as well as experiences with economic development and the role of the State in 20th century Western countries. This raises two issues.

Firstly, to which degree are these neo-corporatist insights translatable in a context of developing countries who face qualitatively different structural challenges, such as economic dependency in a globalized economy, with less leeway for national corporatist compromises (on SDG)? Secondly, a neo-corporatist agenda for social partners might pose tensions for worker organisations in the context of global social and sustainable development. As exemplified by the experience in South Africa, South Korea, and Brazil since the 1990ies, the (from a national perspective) productive incorporation of worker organizations into corporatist policy structures, also runs the risk (from a global perspective) of improving the position of relatively well-positioned workers within global value chains, at the expense of other workers and the promotion of transnational labour rights (Ness, 2016).

Another general issue, touched upon in the discussion on strengthening governance (section 4.5), is the specific contribution of SD actors to governance. This need is also identified in e.g. research on the global governance of labour and trade policies, which so far has mainly focused on business and NGOs as non-state actors, and needs to more systematically integrate trade unions into observations on business self-regulation and labor or trade policies in a globalized economy (Koch-Baumgarten & Kryst, 2015). A similar argument is made in the context of human rights issues, where much can be learned from a closer engagement in scholarship and practice with the actions of trade unions, and the consideration of trade unions as human rights actors (Evans, 2015).

Given the broad scope of SDG and our very generic conception of SD (section 3), answering questions on the contribution of SD to SDG likely requires questions that are more focused on specific SDG. At the same time, applying a general framework of operative mechanisms and contexts, when answering these questions, will help in obtaining a more systematic account of the contributions of SD to SDG. A future research agenda could therefore focus on the translation of the general framework presented here, into an analytic framework that can help the measurement and analysis of the contribution of SD to SDG (cf. also section 5.3).

Our observations regarding the 'environment and futuring' thematic cluster (section 4.4) and contexts for effective SD-engagement (section 5), highlight the challenge of limited expertise in this complex thematic area among SD actors. There is therefore a need for more in-depth research into good practices to strengthen the technical capacity and legitimacy of SD actors to engage nationally in a domain that requires specialized expertise, and which is not strongly embedded in national SD agenda's (cf. section 5.2).

Delving deeper into SDG such as equality (section 4.1), equal access and redistribution (section 4.2) likely requires pinpointing more topical issues to explore. For example, Webster and Morris (2015) identify four issues in thinking about the role of unions in countering inequality in the developing word: how to deal with 'informal security regimes'; how to incorporate tensions between growth and

ecological concerns; how to 'tame corporate power'; how to develop coherent alternative frameworks to neo-liberal conceptions; and identifying social forces that will align with the union movement in combatting inequality.

Finally, the thoughts on specific contributions of SD to governance (section 4.5), and the successful examples provided in the textboxes, raises the question on what (1) stimulates an effective 'tripartite-plus' or 'network-based governance' approach to SDG, and (2) makes them robust to changing demands and powerful opposition? There are numerous examples of global development initiatives in this vein, such as the *Global Partnership for Effective Development Cooperation* (GPEDC), created at the Fourth High Level Forum on Aid Effectiveness in Busan in 2011, and constituting an important advisory network in the monitoring of the SDGs. What enables these types of broad governance structures involving SD actors to develop and remain abreast of evolving policy agendas, is however a relatively open question.

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